

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2015

Docket No. ACR2015

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTION 7 OF CHAIRMAN'S INFORMATION REQUEST NO. 11

The United States Postal Service hereby provides its response to the above-listed question of Chairman's Information Request No. 11, issued on February 8, 2016. Each question is stated verbatim and followed by the response. The responses to the other Questions were filed on February 16, 2016.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 11**

7. The following questions relate to Responses of the United States Postal Service to Questions 1 and 2 of Chairman's Information Request No. 5, February 3, 2016, question 2.
- a. When will the second phase of the network consolidation project begin?
 - b. When does the Postal Service anticipate completion of the second phase of the network consolidation project?
 - c. Which facilities will be impacted by the second phase of the network consolidation project?
 - d. Please confirm that the first phase of the network consolidation project decreased the number of distribution nodes and separations.
 - i. If confirmed, please explain how *further* decreasing the number of distribution nodes and separations will improve service performance.
 - ii. If not confirmed, please explain.
 - iii. Please describe the differences between the network changes that occurred in Phase I and the network changes anticipated in Phase II, including their respective impacts on service performance.

RESPONSE:

- a. Phase 2 of Network Rationalization began in January 2015.
- b. Phase 2 consolidations are currently deferred and there is currently no scheduled date for completion.
- c. All processing and distribution centers are impacted by Phase 2 consolidations.
- d. Confirmed.
 - i. Additional reductions in nodes and separations will continue to decrease potential failure points, thereby decreasing opportunities for service failures. Also, additional consolidations allow for removal of older equipment sets thereby improving the overall quality of sortation and timeliness of delivery.
 - ii. N/A

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- iii. Phase 1 was an interim step in the Network Rationalization Initiative. The network changes impacted many facilities, particularly those in close proximity. The result was a minor shift in the processing window of 2 to 4 hours. In contrast, Phase 2 represents the final step in the initiative. It impacts all facilities due to the changes in the network and fosters a major change in the processing window of up to 12 hours. We do not expect any long-term service impacts resulting from the remaining Phase 2 consolidations.